

RESTRICTED

3. Payroll ✓

4. Travel ✓

5. Accounts ✓

6. Status ✓

7. Fiscal Inspector ✓

13 September 1950

THRU : Acting Executive
General Counsel
Budget Officer

CONFIDENTIAL

Withholding of Compensation Due CIA Personnel
for Indebtedness

25X1

1. Since the enactment of Public Law 633, 81st Congress, concerning the authorization to withhold compensation due government personnel has brought to the attention of appropriate officials the fact that the law only permits such compensation to be withheld in cases of indebtedness "under such regulations as may be prescribed by the head of the department," it is believed advisable that appropriate instructions or a Delegation of Authority be issued.

2. The matter of amending the Confidential Funds Regulations to provide appropriate instructions is the subject of a separate memorandum. Insofar as vouchered funds activities are concerned, it is not believed that a comprehensive regulation need be issued since the law has only a slight effect on vouchered funds practices. Very few exceptions are taken by the General Accounting Office, particularly in view of the fact that we have a site audit system. However, in order to properly protect the individuals concerned and to technically comply with the requirements of Public Law 633, it is recommended that the Director issue a Delegation of Authority reading substantially as follows:

"The Chief, Administrative Staff and the Chief or Assistant Chief, Fiscal Division, Administrative Staff, are authorized under the provisions of Public Law 633, 81st Congress, to approve and cause to be effected withholdings from compensation due employees for any indebtedness of such employees to the U. S. Government".

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E. R. SAUNDERS

KEW/vlb

cc: Fiscal Division ✓
Signer's copy

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